

117TH CONGRESS  
1ST SESSION

# H. R. 4932

To amend the Internal Revenue Code of 1986 to provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 3, 2021

Mr. STAUBER introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to provide an additional deduction for the cost of certain materials purchased directly from a domestic smelter or processor.

1       *Be it enacted by the Senate and House of Representa-  
2 tives of the United States of America in Congress assembled,*

**3 SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Manufacturing Amer-  
5 ica’s Mineral Security Act”.

**6 SEC. 2. FINDINGS.**

7       Congress finds the following:

1                   (1) It is in America's best interest to ensure a  
2                   robust and secure domestic supply chain for U.S.  
3                   manufacturers.

4                   (2) The United States increasing reliance on  
5                   foreign sources of metals and minerals threatens our  
6                   economic and national security while providing our  
7                   geopolitical rivals, such as China and Russia, lever-  
8                   age over our economy.

9                   (3) Incentivizing domestic mineral and metal  
10                  production and the purchase of these materials will  
11                  make our Nation's supply chains more secure and  
12                  resilient.

13                 **SEC. 3. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**  
14                 **MATERIALS PURCHASED DIRECTLY FROM A**  
15                 **DOMESTIC SMELTER OR PROCESSOR.**

16                 (a) IN GENERAL.—Part VI of subchapter B of chap-  
17                 ter 1 of the Internal Revenue Code of 1986 is amended  
18                 by inserting after section 181 the following new section:

19                 **“SEC. 182. ADDITIONAL DEDUCTION FOR COST OF CERTAIN**  
20                 **MATERIALS PURCHASED DIRECTLY FROM A**  
21                 **DOMESTIC SMELTER OR PROCESSOR.**

22                 “(a) IN GENERAL.—There shall be allowed as a de-  
23                 duction (in addition to any other deduction allowed under  
24                 this chapter for the cost of specified domestically produced  
25                 materials) an amount equal to 10 percent of the cost of

1 specified domestically produced materials if such materials  
2 are acquired by the taxpayer directly from the domestic  
3 smelter or processor of such material.

4       “(b) SPECIFIED DOMESTICALLY PRODUCED MATE-  
5 RIALS.—For purposes of this section—

6           “(1) IN GENERAL.—The term ‘specified domes-  
7 tically-produced materials’ means any specified ma-  
8 terial if such material is—

9              “(A) in the case of a mine product, smelt-  
10 ed or processed in the United States by direct  
11 smelting of ore;

12              “(B) in the case of a mine tailings product,  
13 beneficiated in the United States;

14              “(C) in the case of metal or metal com-  
15 pound production—

16                  “(i) reprocessed from slags or residues  
17 in the United States; or

18                  “(ii) melted, sputtered, or otherwise  
19 produced in the United States;

20              “(D) in the case of alloy production, pro-  
21 duced by melting together metals in the United  
22 States to form an alloy; and

23              “(E) in the case of magnet production, sin-  
24 tered or bonded and magnetized in the United  
25 States.

1               “(2) SPECIFIED MATERIAL.—

2               “(A) IN GENERAL.—The term ‘specified  
3               material’ means minerals that are necessary—

4               “(i) for the energy infrastructure of  
5               the United States, including—

6               “(I) pipelines;

7               “(II) refining capacity;

8               “(III) electrical power generation  
9               and transmission; and

10               “(IV) renewable energy produc-  
11               tion;

12               “(ii) for community resiliency, coastal  
13               restoration, and ecological sustainability  
14               for the coastal United States;

15               “(iii) to support domestic manufac-  
16               turing, agriculture, housing, telecommunications,  
17               healthcare, and transportation in-  
18               frastructure; or

19               “(iv) for the economic security of, and  
20               balance of trade in, the United States.

21               “(B) MATERIALS NEEDED FOR NATIONAL  
22               DEFENSE.—The term ‘specified material’ shall  
23               include all Materials of Interest listed by the  
24               Defense Logistics Agency.

1                 “(C) EXCEPTIONS.—The term ‘specified  
2                 material’ shall not include—

3                         “(i) fuel minerals, including oil, nat-  
4                 ural gas, or any other fossil fuels;  
5                         “(ii) water, ice, or snow; or  
6                         “(iii) sand, stone, gravel, pumice,  
7                 pumicite, cinders, or clay.

8                 “(c) DOMESTIC SMELTER OR PROCESSOR.—For pur-  
9                 poses of this section, the term ‘domestic smelter or proc-  
10         essor’ means, with respect to any specified material, the  
11         person performing the activity described in subsection  
12         (b)(1) with respect to such material.”.

13                 (b) CLERICAL AMENDMENT.—The table of sections  
14         for part VI of subchapter B of chapter 1 of such Code  
15         is amended by inserting after the item relating to section  
16         181 the following new item:

“Sec. 182. Additional deduction for cost of certain materials purchased directly  
from a domestic smelter or processor.”.

17                 (c) EFFECTIVE DATE.—The amendments made by  
18         this section shall apply to taxable years beginning after  
19         the date of the enactment of this Act.

